

The Honorable Andrew S. Natsios **Administrator, U.S. Agency for International Development**

Iraqi Agriculture and Food For Peace

**Testimony before the
Committee on Agriculture
U.S. House of Representatives
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[As presented by William Garvelink, Senior Deputy Assistant Administrator for Democracy, Conflict, and Humanitarian Assistance]

Mr. Chairman and Members of the Committee, I am pleased to have the opportunity to discuss with you today the U.S. Government's successful efforts to avert a humanitarian crisis in the aftermath of the war in Iraq.

In late 2002, Iraq's Hussein regime continued to defy the United Nations' Security Council resolutions, ignoring warnings from the international community about the "grave consequences" to follow. As the prospect for war became imminent, the U.S. Agency for International Development (USAID) began to plan for a possible humanitarian crisis in Iraq. The situation in Iraq was made infinitely more complex because of that country's dependence on the United Nations' Oil for Food (OFF) program and a public food ration system that fed the entire population of 26 million people.

USAID was asked to join an interagency working group. At their direction, USAID initiated discussions with the United Nations World Food Program (WFP) to determine our response options. We agreed that disruption of the public food distribution system, or PDS, would require major interventions by the United States to ensure continued food distributions to the Iraqi people and to protect Iraq's most vulnerable groups. We prepared a three-fold strategy should conflict erupt: restart the PDS as soon as possible; feed the entire population of 26 million, and be prepared to feed several million internally displaced persons (IDPs) and refugees if there were a humanitarian crisis.

Through extensive planning, sufficient U.S. resources, and the hard work of USAID, other U.S. Government agencies, the World Food Program, the Iraqi Ministry of Trade, and the U.S. military's civil affairs personnel, we were able to re-establish the PDS in less than 30 days following major combat operations. On June 1, 2003, the food pipeline was open in all 18 governorates. This averted a humanitarian food crisis and maintains an acceptable level of PDS food supplies throughout the country today.

Managing this unique food distribution system was an enormous effort. Under typical operations, the PDS provides almost 500,000 tons of food to Iraq every month. The monthly ration includes flour, rice, cooking oil, lentils or beans, sugar, tea, salt, powdered milk, detergent, soap and infant formula. Last year, Oil for Food resources were used to purchase these commodities. Today, funds from the Iraqi operating budget fund the purchase of commodities that are shipped to Iraq and other regional port facilities. A fleet of thousands of private and public sector trucks then make daily trips in and out of Iraq, hauling the food overland to more than 400 warehouses and silos throughout the country. Finally, local food and flour agents travel to the warehouses, receive their assigned shipments, and return to their communities for final distributions. Each person in Iraq is qualified for a food ration and families are assigned ration cards that allow them to receive monthly rations from the agents who distribute the commodities from storefronts or private residences. A centralized database maintained by the Ministry of Trade provided population data and monitored births, deaths and relocations.

One of our early concerns was that this extensive system would become disrupted during the war and that food suppliers would refuse to fulfill their food contracts due to security issues. We also were unsure of the food stock supplies in Iraq prior to the war. The U.S. Government estimated as much as three months supply of food, however, we also knew that the regime had distributed double rations for several months in 2002 and early 2003. We were

unsure how long food supplies would last, and we needed to identify and secure resources for additional food supplies should they be needed.

On March 28, 2003, WFP issued a worldwide emergency appeal for \$1.3 billion to fund a six-month operation to stand up the PDS and keep the food moving. To help ensure an initial food supply line, USAID contributed \$45,000,000 in cash to support WFP's preparation and mobilization costs, allowing WFP to position food and personnel for the tasks ahead. In addition, we contributed \$200,000,000 in cash and almost \$181,000,000 worth of Title II and Emerson Trust food commodities to the WFP operation. In dollar terms, this became USAID's second largest food assistance program in FY 2003, totaling \$426 million, and provided a total of 575,320 metric tons of food to the assistance effort.

In addition to food and cash, the USAID Disaster Assistance Response Team, or DART, helped backstop other critical WFP operations. Food experts were deployed with the DART and assigned to the key Iraqi cities of Basrah, Baghdad, Hillah, and Erbil, as well as in Kuwait City and Cyprus. Throughout the spring and summer of 2003, the DART food team assisted WFP, the Iraqi Ministry of Trade, and the Coalition Forces with numerous food distribution activities. This included securing warehouse stocks, assuring records and data were secure, liaising with civilian-military operations, prioritizing humanitarian efforts, assisting WFP Iraqi staff with logistics and obtaining military demining and other technical assistance. In September of 2003, we were confident that a food crisis had been averted, and the DART returned to the United States.

After the Conflict

Having averted a food crisis immediately following the conflict, USAID continued to focus and assist with the management and distribution of food rations for all Iraqi citizens. We soon realized that the Iraqis were capable of managing much of the PDS tasks, but needed some training and equipment. Again, in partnership with WFP, the newly organized Coalition Provisional Authority (CPA) and the military, we began to take immediate actions to support the Iraqi food administrators so they could effectively take the reins of the PDS.

Some of these actions include assisting CPA and the Iraqi government with OFF handover tasks, providing technical expertise to identify thousands of former OFF-funded projects and resources for the Iraqi people, including food contracts for the PDS. We also played a key role in establishing the Baghdad Coordination Center, an essential technical service center to be operated by the Iraqis that will help assure proper and transparent management of the former OFF activities. We continue to contribute counterpart personnel to provide logistics expertise, supplier service support, contract reference and processing support, payment services, UN liaison and other essential services to help ensure that the food supply continues to flow. We are providing food specialists in Baghdad to serve as technical advisors to the Iraqis, helping arrange procurement training sessions with WFP in Rome and communications training in Amman, Jordan. Finally, we provided ministries with additional computer equipment to help improve communications and computing capabilities.

The Future

Iraq's PDS continues to provide food to all Iraqi citizens. Though we realize that independent market forces also contribute to food supplies in Iraq, we have not reduced our concern for Iraq's most vulnerable groups nor our determination to assist the Iraqis with their PDS operations, if needed. We also recognize the PDS is extremely costly to the government and inherently inefficient. But as long as Iraqis are dependent on food rations, we will remain attentive to Iraq's food supply and involved.

In addition to our assistance with the PDS, we have begun other food security related activities to reduce risk for the most in need. In April of this year, in collaboration with the Ministry of Agriculture and the CPA, we prepared an Agricultural Transition Plan designed to restore agricultural production and create jobs to bring about a transition to a market-led agriculture sector. We plan to support the Ministry's efforts in policy and economic analysis, enforcement of a regulatory framework to protect human health and the environment, and with applied research and farmer extension. If rehabilitated and managed properly, we believe that the agricultural sector in Iraq will have the physical and human resources that can significantly contribute to economic recovery in generating employment and income and in improving food security. Increased food security and a revived agricultural sector will allow Iraq to wean its population from the PDS, opening the way for food sufficiency and free market enterprise.

It should be underscored that until these and other infrastructure, institutional building and economic improvement efforts begin to impact Iraqi society, many Iraqis will remain dependent on the PDS as the main source of food. Although we fully support the handover of PDS responsibilities to the interim government on June 30, we remain

fearful that interruptions in the PDS food pipeline, resulting in food shortages. Delayed food deliveries not only threaten the vulnerable, they could create further instability among the population.

We applaud the hard work of the talented and dedicated people of the CPA, WFP, and the countless others who have made this effort one of the U.S. Government's most successful in Iraq. Yet we by no means believe the task is finished. Several key technical improvements are still necessary for the successful continuation of the PDS after the CPA closes its doors. A critical concern is the tenuous nature of the food supply pipeline. We must remain vigilant in the upcoming months to assist the new Iraqi government should it be necessary.

50 Years of U.S. Food Aid

Before I conclude, let me add that this year marks the 50th anniversary of the Food for Peace program. Over the past 50 years, the U.S. Government has contributed more than \$50 billion to finance more than 367 million metric tons of food to over 150 food insecure countries. More than 3.3 billion people worldwide have been recipients of U.S. food assistance. In addition to the successful effort in Iraq, other countries worldwide have benefited from this long-standing U.S. assistance program.

In much of Asia and Latin America, where famine has taken millions of lives, basic food security has been established and sustainable development has become a reality. In many of these places, our food aid investments have played an important role in helping to bring this about. Japan, South Korea, Mexico, Argentina, Morocco, Chile, and even a number of European countries were recipients of early P.L. 480 programs. Many of these graduated countries have gone on to become major food donors.

Some of the most notable achievements occurred in the aversion of widespread famine in Ethiopia; the feeding of four and a half million people in southern Africa; the prevention of a humanitarian food crisis in Iraq and the successful response to Afghanistan's drought—which included the shipment of nearly 400,000 metric tons of food to that country, benefiting 10 million people between 1999 and 2002. The World Food Program played a key role in these successes.

The year 2003 saw one of the largest amounts of food distributed through Title II in its 50-year history - and just slightly below what was distributed in 1985, the year of the terrible Ethiopian famine. In fact, if you add the 401,000 metric tons we received from the Bill Emerson Humanitarian Trust, last year was the biggest year since P.L. 480 was passed.

Despite the investments and the progress made over the past 50 years, nearly 840 million people are still food insecure. And though critical for addressing short-term food needs and saving lives, USAID recognizes that simply feeding people from one day to the next is not going to end hunger.

Our food aid will obviously continue to focus on people's short-term food and nutritional needs. But we have to invest in longer-term solutions, as well. It does not make sense to spend hundreds of millions of dollars feeding people in a country like Ethiopia and only provide a tiny fraction of that to help them improve their agriculture.

Consequently, USAID is working toward implementation of both short and long-term interventions which link agricultural development, trade and food aid in order to promote food security. The United States is committed to supporting a variety of proven and innovative programs to address hunger, and USAID's Office of Food for Peace is making a dramatic shift in its approach to addressing food needs.

The American people can be proud of the many accomplishments of the Food for Peace program over the years. I look forward to working with you on both responding to emergencies and to improving food security abroad.